

# Stepping up to better working lives

## Workforce literacy in New Zealand

This document is a position statement from five national organisations working towards a skilled and productive workforce for New Zealand.

Low literacy and numeracy affects New Zealand's productivity and the ability for individuals to contribute fully at work and in daily life. While recent PIAAC results show an improvement in New Zealand's international adult literacy and numeracy rankings, the quantum of the issue has changed little since 2000.

This data is a wakeup call.

### We need to:

**I**ncrease current levels of adult literacy and numeracy funding.

**E**nsure all relevant government agencies include adult literacy and numeracy as a priority – throw the net widely.

**T**arget priority groups and industries where lower levels of literacy and numeracy are concentrated.

**P**romote lifelong learning as employment depends on learning, applying and adopting.

**M**aintain support for a range of initiatives that reach adult learners wherever they are, e.g. whānau literacy.



**“Our most important resource is our people.  
If we invest in training our people, we’ll get a return every single time.”**

*Doug Hallberg, Whangarei Site Manager, Carter Holt Harvey Sawmill*

# Improving workforce literacy in Aotearoa

Improving adult literacy is an urgent challenge in New Zealand. Over a million people of working age (15-65) do not have the literacy or numeracy skills to participate as fully as they want to in work, education and life.

Workforce literacy describes the skills needed for effective performance at work including: speaking, listening, maths, using technology, reading, writing, problem solving and critical thinking.

Common literacy tasks in the workplace include: following production schedules, understanding health and safety requirements, measuring and estimating quantities, and problem solving.

In workplaces, low literacy is a key skills gap which affects business performance and productivity. It can create risks, errors, wastage, accidents and poor teamwork. Addressing the adult literacy challenge is key to building a skilled workforce and enhancing social and economic wellbeing.

## Today's story: the Survey of Adults (PIAAC) 2014

Although New Zealand adults score above the OECD average in literacy, numeracy and problem solving skills, over a million people in the working age population have limited literacy and numeracy.

Level 3 is considered the literacy and numeracy skill level required to participate fully in work and daily life. 43% of adult New Zealanders are below level 3 in literacy and 51 percent are below level 3 for numeracy. These results are similar to 2006 results.

Scores vary according to:

- education: the higher the qualification the higher the scores
- age: the highest literacy and numeracy scores are in the 35-44 group
- ethnicity: NZ European have higher scores than Māori and Pasifika

Those working in retail, construction, primary industries, accommodation and food services, manufacturing, transport, postal and warehousing were at the top of level 2 in literacy and slightly lower for numeracy on average.

Technicians and trade workers, sales workers, community and personal service workers were on average at the bottom of level 3 for literacy and the top of level 2 for numeracy. Machinery operators and drivers, and labourers have average scores in the middle of level 2 for literacy and numeracy.

The adult literacy challenge is even more urgent among the Māori and Pasifika population. More than 60% of Māori adults and almost 80% of Pasifika adults were at levels 1 and 2 (that is having low or very low literacy and numeracy skills) compared to around 43% of the general population.

Adult literacy is also a challenge among the migrant population, where English may be a second language.

*“English is a second language for 90% of our staff. It's a great workforce. Multi-lingual, multi-talented, and because of the training, they are participating more than ever. The ultimate benefit of training is better health outcomes for our elderly and disabled clients.”*

*Hamish Crooks, CEO, Pacific Homecare*



# Changing the story: Workplace literacy training

Changing the adult literacy story is essential for our social and economic wellbeing. Short-term employment forecasts for New Zealand show the growth areas will be in the industries identified in research as having the lowest literacy levels – including construction and utility industries, hospitality, wholesale and retail trade, and business service industries.

Business productivity and growth depend on a skilled workforce that can meet the demands of today and adapt to new demands. As literacy is the foundation for all other skills – improving literacy has a significant impact on individual working lives, community wellbeing and economic growth.

Workplace literacy training significantly improves business performance and morale. In recent years New Zealand has made progress with greater employer participation and government investment.

The Workplace Literacy and Numeracy fund is administered by the Tertiary Education Commission. The Employer-led fund is available for employers wanting to improve the literacy, numeracy and communication skills of their staff.

Intensive Literacy and Numeracy and a range of ESOL initiatives support both those in work and those near to the workforce, as do community and whānau-based programmes.

The benefits of training are far-reaching. Workplaces universally report that training results in higher performing, safer workplaces and more confident, competent and engaged staff. They also report happier individual and family lives. For example, people now able to help with their children's homework, fill out forms, communicate with the bank, and participate more fully in community events.

*“It’s one of the proudest moments I’ve had as a boss. We’re in a place to make Sanford Timaru one of the best performing workplaces.”*

*Grant Day,  
Timaru Site Manager, Sanford*

*“This programme helped me to build my self-esteem and my confidence. I’m now looking forward to going to MIT to study more about the English language.*

*This course has given me the courage to go further.”*

*Tulai Luamanu,  
Support worker, Pacific Homecare*

*“I’d like to see myself as a shift supervisor and go from there. I wasn’t really one to learn from a book, but it’s made things a lot more interesting, and I can see a better future”*

*Jamal Uiese,  
Carter Holt Harvey*

*“Sometimes life knocks our confidence, but when we regain it, our workplaces become safer and smarter and our lives more powerful.”*

*Lyn Nikoloff  
Risk Management Group (RMG Training)*

**“Before the course I would tell someone that something was broken. Now I fill out the form and I tell everyone – the guard is missing here, there is no tail light on this machine.”**

*Danesh, Living Earth, Waste Management NZ*

**T**echnology is the fastest-growing sector in New Zealand. Sectors like manufacturing, services, agriculture and utilities are all becoming digitised and automated.

The landscape of skill needs is changing: early recognition of skills needed for new technologies and industries will be a key factor in economic growth, and certification and quality assurance will be critical issues in an era of high skill needs.

**Kirk Hope** CEO, BusinessNZ

**L**arge numbers of migrants work in Kiwi businesses. Irrespective of job skill, full productivity is limited when their English language is not good enough; understanding what others are saying and confidently making yourself understood is essential for success. Employers make a sound investment when they support English language skill development such as listening, speaking, reading and writing along with cultural competency skills so migrant staff know the Kiwi way of doing things.

Better English results in fewer misunderstandings and mistakes and leads to more effective communication and productivity.

**Nicola Sutton** CEO, English Language Partners NZ

**G**ood literacy and numeracy skills are essential to participate fully in society. The one million New Zealand adults with low literacy and numeracy skills are on the back foot socially and financially, with limited work options and earning potential.

For employers, low literacy and numeracy among staff presents a barrier and a risk. While workplace literacy training aims to improve adult literacy, the benefits are far-reaching and extend well beyond the workplace.

By working together to increase participation in literacy training, we all help to create safer, smarter workplaces and better working lives.

**Josh Williams** CEO, ITF

**E**mployers are looking for increased productivity in the workplace. Research shows that the Literacy and Numeracy competency of employees has a significant impact on workplace productivity.

Literacy Aotearoa has found from its delivery in workplaces that employees become more confident in their ability to meet workplace expectations. They communicate better and participate actively in group meetings. Managers report that there is increased attendance, less downtime for breakages and improved attendance.

This demonstrates that investment in the literacy and numeracy of employees leads to improved productivity.

**Bronwyn Yates** CEO, Literacy Aotearoa

**T**he CTU vision is for a highly skilled workforce in workplaces committed to building a high-value, high-wage economy.

Good literacy and numeracy skills are essential for the tertiary education and training which is critical to achieving this vision. They are also vital in improving workers' incomes, prospects and quality of life.

Appropriate work-based support such as the Learning Representatives model is important in raising these skills.

We need a continuing commitment to raising language, literacy and numeracy standards in light of our adult literacy challenge, migrant population, and the changing nature of work.

**Richard Wagstaff** President, NZ Council of Trade Unions - Te Kauae Kaimahi

**Business New Zealand**  
Ph 0800 424 946  
[www.businessnz.org.nz](http://www.businessnz.org.nz)

**English Language Partners NZ**  
Ph 0800 367 376  
[www.englishlanguage.org.nz](http://www.englishlanguage.org.nz)

**Industry Training Federation**  
Ph 04 894 3190  
[www.itf.org](http://www.itf.org)

**Literacy Aotearoa**  
Ph 0800 900 999  
[www.literacy.org.nz](http://www.literacy.org.nz)

**New Zealand Council of Trade Unions (NZCTU)**  
Ph 04 385 1334  
[www.union.org.nz](http://www.union.org.nz)